

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6959

BILL NUMBER: SB 243

DATE PREPARED: Feb 2, 1999

BILL AMENDED: Feb 1, 1999

SUBJECT: Environmental revitalization.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill eliminates duplication between two provisions granting authority to establish additional standards related to the establishment of brownfield revitalization zones and the granting of tax deductions in brownfield revitalization zones. The bill indicates that deductions in a zone may be limited to real or personal property in the zone. The bill also prohibits a person that contaminates soil or surface water in a brownfield revitalization zone from receiving a property tax deduction for revitalizing the area. (Current law prohibits only persons that contaminate groundwater from receiving a deduction.)

This bill indicates that the order that must be attached to a remonstrance petition if the resolution adopted by the designating body. It limits the duty of a designating body to notify the State Board of Tax Commissioners when a deduction is terminated to terminations related to personal property.

In addition, this bill eliminates the requirement that a political subdivision applying for a loan from the Environmental Remediation Revolving Loan Fund obtain an approving opinion from a nationally recognized bond counsel. It allows the Indiana Development Finance Authority to require an opinion.

This bill limits recovery for release of a hazardous substance or petroleum to reasonable cost to prevent migration that would cause substantial danger to public health, welfare, or the environment.

The bill also legalizes the establishment of brownfield revitalization zones established within a specified period if they meet certain conditions. The bill voids certain brownfield revitalization zones established within the period if they fail to meet certain conditions and makes related changes.

Effective Date: Upon passage; July 1, 1997 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill is largely technical in nature and has very little fiscal impact except for the following:

Current law prohibits persons that contaminate groundwater in a brownfield revitalization zone from receiving a Brownfield Revitalization Zone Tax Abatement. This bill would expand that prohibition to a person that contaminates soil or surface water in a brownfield revitalization zone. The expanded prohibition could keep some taxpayers that were responsible, at least in part, from receiving a tax abatement to perform a voluntary remediation. If the taxpayer who contributed to the contaminant makes an investment in the property, then part of the property tax burden would immediately shift from all taxpayers to the investing taxpayer under this proposal. Under current law, this shift is delayed by the abatement. (This analysis assumes that the investment would have been made regardless of the availability of tax abatements).

Under current law, a political subdivision that wishes to receive financial assistance through the Environmental Remediation Revolving Loan Program must furnish an approving opinion from a nationally recognized bond counsel. This bill would permit the Indiana Development Finance Authority to determine if such an opinion is necessary. In the cases where the Authority doesn't deem the opinion necessary, the political subdivision would save money by not having to pay for the opinion. The amount of money saved under this bill depends on the number of applications for assistance that don't need an opinion and on the cost of obtaining an opinion.

State Agencies Affected: Indiana Development Finance Authority.

Local Agencies Affected: Political subdivisions with brownfields.

Information Sources: